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April 4, 2003

VIA ECFS

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
CY-B402
Washington, D.C. 20554

Re: *Application of SBC Communications, Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Authority to Provide In-Region, InterLATA Services In Michigan,* WC Docket No. 03-16
Ex Parte Filing

Dear Ms. Dortch:

In its Comments filed on February 6, 2003 in the above-captioned proceeding, McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") raised, among other things, Operations Support Systems ("OSS") issues arising from McLeodUSA's acquisitions of other carriers. On March 20, 2003, McLeodUSA participated on a conference call with Staff of the Wireline Competition Bureau to address this issue further. This letter is submitted to provide further detail as to the significant and protracted problems McLeodUSA has been experiencing.

The problems relate to the inability of SBC's OSS to consolidate carrier codes after one carrier has acquired or merged with another carrier. In 1999, McLeodUSA acquired BRE Communications, Inc. d/b/a Phone Michigan. Limitations in SBC Michigan's OSS, however, required McLeodUSA to submit orders for customers in the former Phone Michigan service area under Phone Michigan's Access Carrier Name Abbreviation ("ACNA") as opposed to McLeodUSA's ACNA. McLeodUSA, however sought the ability to submit these orders, as well as migrate existing facilities obtained under the Phone Michigan ACNA, to McLeodUSA's ACNA.

It was, and continues to remain, vital to McLeodUSA that it be able to consolidate Phone Michigan's ACNA, and the ACNA of other carriers it has acquired and may acquire, into the McLeodUSA ACNA. Due to the lack of such a process, McLeodUSA must operate in several respects (such as submitting orders and trouble tickets) under the fiction that its merged operating entities still exist as separate CLEC entities. This is particularly problematic for McLeodUSA because it has acquired several CLECs over the past few years. Thus, a McLeodUSA order writer must know which ACNA and OCN to use to submit an order for a particular exchange, even if the carrier associated with that information no longer exists because it has been legally and operationally merged into McLeodUSA. This is important because SBC will not accept orders for particular wire centers without the "correct" operating company number ("OCN") for that wire center. Thus, each McLeodUSA order writer has multiple User Ids (one for each ACNA), and must log in and out of the system each time a different ID is used. This tedious process has a drastic effect on McLeod's overall productivity, ultimately impacting McLeod's ability to meet company line count forecast projections and customer delivery dates. The problems permeate not only the ordering, provisioning, and maintenance processes, but also billing as well because McLeodUSA has to audit multiple bills, some of which are issued by SBC to CLECs that no longer exist.

McLeodUSA also faces a problem in ordering new phone numbers because of the failings of SBC's OSS to recognize this change of ownership. The North American Numbering Plan Administration ("NANPA") requires the ordering CLEC to be certified and Phone Michigan is no longer a certified CLEC. Thus, McLeodUSA has to order the numbers under its name. If McLeodUSA, however, attempts to submit these orders with McLeodUSA numbers, SBC will reject the order.

This is also a situation that McLeodUSA cannot work around, because even if it incurred the prohibitive expense of utilizing duplicative collocation arrangements in a central office, it would still face the problem of coordinating facilities for the different entities. Plus duplicative collocation arrangements in a central office would not be in anyone's best interests. The necessary solution has to be one in which carrier codes can be consolidated.

McLeodUSA first notified SBC Michigan of a need for a "change in responsibility" for an ACNA in July, 1999. McLeodUSA first notified its account managers at SBC Michigan of this problem, and when this did not elicit an adequate response, it escalated the issue to Mary Pat Regan (Director – National CLECs). In 1999, McLeodUSA was initially informed that SBC did not have a process. In the third quarter of 2001, SBC proffered its "solution" which was to have McLeodUSA disconnect all existing interconnection and wholesale facilities, "reacquire" the collocation arrangements in its name and reorder every single service (all circuits, all loops, all transport, etc.). It is important to note that SBC also was unwilling to provide McLeodUSA a list of all such facilities that would have to be disconnected and reordered. This is clearly an irrational process that would cause unnecessary costs for McLeodUSA, risk disconnecting each and every circuit and loop used to provide service to McLeodUSA's end user customers, and risk not disconnecting certain services, loops or circuits, thereby leaving them routed to a decommissioned collocation. This whole process would take a protracted period to implement. In regard to collocation arrangements, McLeodUSA would be required to decommission its existing collocation arrangements and reapply for the arrangements. Thus, it would incur all the collocation charges again, be placed on the waiting list for any central offices where there is no available space, and for those offices where there is space, endure the collocation installation intervals again. The same holds true for the facilities it orders out of the collocation arrangements. Each UNE would have to be reordered, with new charges incurred, no assurance of timely provisioning, and no assurance that adequate loop facilities would even be available to provision service upon reorder. Thus, customers that had ordered service from McLeodUSA could no longer be served by McLeodUSA simply because SBC's systems did not allow McLeodUSA to order service as itself but instead, required it to order that service as some other entity.

Once again last year, trying to deflect challenges raised in ongoing Section 271 proceedings in the Ameritech region, SBC stated that it was still trying to develop a process to address the issue. The process it ultimately came up with still involved the disconnection of facilities and resubmission of orders. In fact, in many respects, SBC's updated "solution" was markedly worse. McLeodUSA would be required to submit the orders as a project, thereby removing the orders from applicable provisioning intervals and exclude this activity from performance reporting and performance plan remedies. McLeodUSA would also be required to submit detailed information regarding the facilities it was reordering. When asked, however, for a breakdown of what information SBC had regarding McLeodUSA's facilities in its records so as to eliminate any inconsistencies when the orders were resubmitted, SBC stated that would not be possible. Thus, there would be no way for McLeodUSA to ensure the correct facilities are disconnected and reordered and that the order information reconciles with the information SBC has in its records. SBC's failure to provide this information will only heighten the risk of service interruption. McLeodUSA also wanted to reinstall certain facilities, such as DS3 facilities, via the hot cut process to minimize service disruption, but SBC would not commit to that. For its critical customers, such as hospitals, McLeodUSA needs the hot cut process to ensure these customers are not put out of service. SBC would also place a moratorium on new orders until the project was completed. It is hard to conceive of a more disruptive "solution."

The real solution to these problems is simple: SBC systems should be changed to reflect that all information associated with the former "Phone Michigan" and other acquired carriers (ACNA, SPID, OCN) should now be associated with McLeodUSA. For its retail customers, SBC has a process to address company consolidations such that the customer would not have to disconnect any facilities and face the risk of service interruption. SBC should be able to develop such a process for its wholesale customers. If SBC had expeditiously developed a process in 1998, it would have been much less difficult to implement as there would be fewer ACNAs and OCNs to consolidate. Today, McLeod has 5 ACNAs and 14 OCNs.

McLeodUSA is not the only wholesale customer aggrieved by this problem. During a recent Change Management Process conference call, many carriers raised similar issues to what McLeodUSA has been experiencing. McLeodUSA has raised this issue in the Change Management Process and in the CLEC User Forum. Unfortunately, SBC does not archive CUF and CMP Issues Logs and Meeting Minutes indefinitely. Every time this issue is broached with SBC, the CLECs continue to request a documented process to which SBC refuses to accommodate. McLeodUSA has performed numerous searches on their web-site and have been unable to locate any process related to the consolidation of ACNAs, OCNs or SPIDs.

Checklist Item 2 requires that a BOC provide non-discriminatory access to network elements.[1] OSS and the information they contain are critical to the ability of competing carriers to use network elements and resale services to compete with BOCs.[2] In analyzing whether a BOC provides non-discriminatory access to its OSS for Section 271 purposes, the Commission, among other things, determines "whether the BOC has deployed the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions and whether the BOC is adequately assisting competing carriers to understand how to implement and use all of the OSS functions available to them."[3] By failing to provide a seamless process for consolidation of carrier codes, SBC is not providing sufficient and nondiscriminatory access to its OSS functions. McLeodUSA faces a more arduous ordering, provisioning, maintenance, and billing process merely because it has acquired other carriers. It is very ironic that SBC, a carrier that has grown through consolidation, has failed to recognize the importance of the ability to consolidate carrier codes.

This issue is a vital issue that particularly impacts facility-based competitors that have grown via acquisition and will likely only continue to increase in import as more industry consolidation is anticipated. If facilities-based competition is to continue to develop in the SBC region, SBC must be required to come up with a less service-impacting process. Until it does, it cannot be found in compliance with the market-opening mandates of Section 271.

Respectfully submitted,

Patrick J. Donovan
Harisha J. Bastiampillai

cc: See attached service list

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1 47 U.S.C. § 271(c)(2)(B)(ii).

2 *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in Michigan,* CC Docket No. 97-137, FCC 97-298, ¶ 130 (Aug. 19, 1997) ("*Michigan Order*").

3 *Michigan Order* at ¶ 136. *See In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to provide In-Region, InterLATA Services in Texas,* CC Docket No. 00-65, FCC 00-238 at ¶ 96 (June 30, 2000) ("*Texas Order*").

CERTIFICATE OF SERVICE

I, Harisha Bastiampillai, hereby certify that on April 4, 2003, I caused to be served upon the following individuals the *Ex Parte* Letter of McLeodUSA Telecommunications Services, Inc. in WC Docket No. 03-16.

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